

General Information Letter: The education expense credit is not allowed for expenses incurred at a school located in Iowa.

March 21, 2008

Dear:

This is in response to your letter dated February 12, 2008, in which you request advice. The nature of your request and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 86 Ill. Adm. Code 1200.120(b) and (c), which may be found on the Department's web site at [www. tax.illinois.gov](http://www.tax.illinois.gov).

In your letter you have stated the following:

My question has to do with whether or not our family can take the credit for education expenses incurred by our daughter during her time of attendance at a private school. The rules state that the school must be an Illinois school. While the school is physically located, at the present time, in CITY, Iowa, it services students in the entire LOCATION, including Illinois students as well as Iowa students, the school is operated and funded by an association of congregations that included two Illinois churches, and my husband is a full-time employee at the school, and we pay Illinois (not Iowa) state tax on our income.

Response

Section 201(m) of the Illinois Income Tax Act (35 ILCS 5/201) allows a credit for education expenses incurred for qualifying students attending qualifying schools. That statute provides that a school that may qualify for the credit is:

any public or nonpublic elementary or secondary school in Illinois that is in compliance with Title VI of the Civil Rights Act of 1964 and attendance at which satisfies the requirements of Section 26-1 of the School Code, except that nothing shall be construed to require a child to attend any particular public or nonpublic school to qualify for the credit under this Section.

Accordingly, the statute does not allow the credit for schools located outside the State.

As stated above, this is a general information letter which does not constitute a statement of policy that applies, interprets or prescribes the tax laws, and it is not binding on the Department. If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b). If you have any further questions, you may contact me at (217) 782-7055.

Sincerely,

Paul S. Caselton
Deputy General Counsel – Income Tax